

**MINUTES OF MEETING**

**RHODE ISLAND AIRPORT CORPORATION**

**BOARD OF DIRECTORS**

**WEDNESDAY, JULY 19, 2006**

**4:00 P.M.**

**IN THE CONFERENCE ROOM, 2220 SOUTH COUNTY TRAIL  
EAST GREENWICH, RHODE ISLAND**

The meeting of the Rhode Island Airport Corporation ("Corporation") Board of Directors was called to order by Vice-Chairman, James C. Forte, at 4:00 p.m., in the Conference Room, at 2220 South County Trail, East Greenwich, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

**BOARD MEMBERS PRESENT:** James Rosati (arrived at 4:37 pm); James Forte; Joseph Cianciolo; Robert Sangster; Michael Traficante; Kathleen Hittner, M.D. (arrived at 4:16 pm).

**BOARD MEMBERS ABSENT:** Joseph Larisa.

**ALSO PRESENT:** Mark P. Brewer, A.A.E., President and CEO; Brian Schattle, Senior Vice President of Finance and Administration/CFO; Marci A. Greenberger, A.A.E., Senior Vice President of Operations and Maintenance; Peter Frazier, Chief Legal Counsel (arrived at 4:37 p.m.); Richard Licht, Outside Legal Counsel; and those members listed on the attendance sheet attached hereto.

## **1. Approval of the Minutes:**

**A motion was made by Mr. Traficante and seconded by Mr. Sangster to approve the minutes of the Board Meeting of June 21, 2006. The motion was passed unanimously.**

## **2. Open Forum:**

**Mr. Forte asked if anyone present wanted to speak in Open Forum. No one came forward.**

## **3. Report from President and CEO:**

**Mr. Brewer reported that passenger numbers for June were down 11.6% and approximately 6.8% year to date. Mr. Brewer noted that this regional trend is continuing and that the Corporation is continuing its marketing efforts to attract more airlines.**

**Mr. Brewer reported that collective bargaining is underway but that no negotiations have taken place since the last board meeting.**

**Mr. Brewer reported that the groundbreaking for the intermodal project took place on Monday, July 17, 2006 and it was well attended by federal, state and local officials including the US Secretary for Transportation, Maria Cino. The CM Selection for this project is**

underway.

Mr. Brewer reported that interviews are underway for a new Senior Vice President of Planning, Engineering and Environmental. There has also been a great deal of interest in the Director of Human Resources position, with approximately 130 resumes received to date.

Mr. Brewer reported that the Providence port fire on July 18, 2006 impacted deliveries of jet fuel to the airport. Northstar has coordinated additional delivery trucks from Hartford and Boston, but it will be on a day-to-day basis in terms of availability. Initial indications are that it may take two weeks to complete the necessary repairs to the port. Mr. Brewer asked Mr. Schattle to give an update on the fuel farm project. Mr. Brewer noted that several of the airport's ARFF trucks responded to the port fire.

Mr. Brewer reported that the non-union evaluations are complete and have been reviewed. Mr. Brewer noted that the focus continues to be on working on a non-union bonus plan.

#### **4. Operations and Capital Committee Report:**

There was no report. Dr. Hittner asked if there was an update on the Block Island runway project and specifically whether there had been any decision from the FAA on a turf runway. Mr. Shihadeh reported

**that this is still under review with the FAA.**

## **5. Finance and Audit Committee Report:**

**There was no report.**

## **6. Compensation Committee Report:**

**Mr. Sangster reported that there had not been a meeting since the last board meeting, but that there would be a discussion of collective bargaining in Executive Session.**

## **7. Action Items:**

**(a) Consideration of and Action Upon Support of the Joint Statement Among the City of Dallas, the City of Fort Worth, Southwest Airlines, American Airlines, and the DFW International Airport to Resolve the “Wright Amendment” Issues.**

**Mr. Brewer gave an overview of the issue and reported that the recommendation is that the Board supports the Joint Statement that binds the City of Dallas, City of Fort Worth, Southwest Airlines, American Airlines and DFW International Airport, to resolve the “Wright Amendment” issues as it is written, and requests that the Rhode Island Congressional Delegation supports the proposed legislation that eliminates the Wright Amendment under the timelines**

**and conditions contained in the Joint Statement, and approves the implementation of the legislation when it is presented to Congress before the end of 2006.**

**A motion was made by Mr. Sangster and seconded by Mr. Cianciolo to approve the following resolution:**

**WHEREAS, the City of Dallas, the City of Fort Worth, Southwest Airlines, American Airlines, and DFW International Airport (the “Parties”) have agreed to seek the enactment of legislation to initially amend section 39 of the International Air Transportation Act of 1979, known as the “Wright Amendment” and ultimately seek its repeal; and**

**WHEREAS, the Joint Statement binds the parties to seek enactment of legislation that eliminates the Wright Amendment under the following timelines and conditions:**

- Airlines serving Dallas Love Field shall immediately be able to offer through ticketing to destinations within the 50 United States and to Washington DC.**
- Eight years after the passage of enabling legislation, the Wright Amendment shall be fully repealed.**
- Dallas Love Field shall be restricted to no more than 20 gates. Of these, Southwest shall lease 16 gates, Continental Airlines 2 gates, and American Airlines 2 gates. Any gates turned back to the City**

**shall become common use gates.**

- The City shall cause between \$150 million and \$200 million to be expended for needed improvements at Dallas Love Field.**
- International service shall be focused at DFW Airport.**
- Congress must act by the end of 2006; and**

**WHEREAS, the five joint parties are presently involved in drafting binding contracts and legislation to formalize the Joint Statement and to enact it in its entirety.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**1. That the Board hereby supports the Joint Statement that binds the City of Dallas, the City of Fort Worth, Southwest Airlines, American Airlines, and DFW International Airport to resolve the “Wright Amendment” issues, as it is written.**

**2. That the Board respectfully requests that the Rhode Island Congressional Delegation support the proposed legislation that eliminates the Wright Amendment under the timelines and conditions, contained in the Joint Statement, and approves the implementation of the legislation when it is presented to Congress before the end of 2006.**

**The motion was passed unanimously.**

**(b) Consideration of and Action Upon Proposed Lease Amendment with Rhode Island Fast Ferry Inc., AND Proposed Lease Amendment with Southeastern New England Shipbuilding Corporation.**

**Mr. Schattle gave an overview of both lease amendments and reported that the recommendation is that the Board authorize the President and CEO, or his designee, to execute the lease amendments with Southeastern New England Shipbuilding Corporation (SENESCO) and Rhode Island Fast Ferry, Inc.**

**A motion was made by Mr. Cianciolo and seconded by Mr. Traficante to approve the following resolutions:**

**WHEREAS, the Rhode Island Airport Corporation (“RIAC”) has a responsibility of developing revenue to support its General Aviation airport system from certain real estate parcels at the Quonset State Airport (“Revenue Producing Parcels”) leased to RIAC by the State of Rhode Island; and**

**WHEREAS, the Revenue Producing Parcels are managed on behalf of RIAC by the Rhode Island Economic Development Corporation (“RIEDC”) and/or its subsidiary, the Quonset Development Corporation (“QDC”); and**

**WHEREAS, the QDC has presented to RIAC, for its Board’s approval, a lease amendment of certain real estate and facilities (“Demised**

**Property”) to Southeastern New England Shipbuilding Corporation (“SENESCO”); and**

**WHEREAS, the Demised Property combines property to which RIAC and the QDC are entitled to the revenues; and**

**WHEREAS, the QDC has represented, inter alia, that the terms of the lease amendment are commercially reasonable; and**

**WHEREAS, the QDC has approved said lease amendment; and**

**WHEREAS, RIAC’s management has reviewed the lease amendment and recommends approval by the Board.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute the lease amendment with SENESCO.**

**WHEREAS, the Rhode Island Airport Corporation (“RIAC”) has the responsibility of developing revenue to support its General Aviation airport system from certain real estate parcels at the Quonset State Airport (“Revenue Producing Parcels”) leased to RIAC by the State of Rhode Island; and**

**WHEREAS, the Revenue Producing Parcels are managed on behalf**



**of RIAC by the Rhode Island Economic Development Corporation (“RIEDC”) and/or its subsidiary, the Quonset Development Corporation (“QDC”); and**

**WHEREAS, the QDC has presented to RIAC, for its Board’s approval, a lease amendment of certain real estate and facilities (“Demised Property”) to Rhode Island Fast Ferry, Inc.; and**

**WHEREAS, RIAC is entitled to the revenues derived from the Demised Property; and**

**WHEREAS, the QDC has represented, inter alia, that the base rent and terms of the lease amendment are commercially reasonable; and**

**WHEREAS, the QDC has approved said lease amendment; and**

**WHEREAS, RIAC’s management has reviewed the lease amendment and recommends approval by the Board.**

**NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:**

**That the Board authorizes the President and CEO, or his designee, to execute the lease amendment with Rhode Island Fast Ferry, Inc.**

**The motion was approved unanimously.**

**Mr. Rosati arrived at the meeting.**

**8. Executive Session:**

**(a) Discussion Related to Collective Bargaining – R.I.G.L. § 42-46-5(a)(2).**

**(b) Discussion Related to Potential and Pending Litigation (RIPDES, Parking, Police Schedule) - R.I.G.L. § 42-46-5(a)(2).**

**(c) Discussion Related to Investment of Public Funds (Intermodal) - R.I.G.L. § 42-46-5(a)(7).**

**At approximately 4:37 p.m., a motion was made by Mr. Cianciolo and seconded by Mr. Traficante to go into Executive Session. By the following vote, the motion was passed unanimously.**

**YEAS: James Rosati**

**James Forte**

**Joseph Cianciolo**

**Robert Sangster**

**Michael Traficante**

**Kathleen Hittner, M.D.**

**NAYS: None**

**ABSTAIN: None**

**At approximately 6:15 p.m., a motion was made by Mr. Cianciolo to reconvene to the Open Session. The motion was seconded by Dr. Hittner. The motion was passed unanimously. Mr. Traficante departed at 6:10 p.m.**

**A motion was made by Dr. Hittner and seconded by Mr. Cianciolo to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-7(c). The motion was passed unanimously.**

#### **9. Future Meetings:**

**The next meeting will be held on Wednesday, August 16, 2006 at 4:00 p.m., in the Conference Room at 2220 South County Trail, East Greenwich, Rhode Island.**

#### **10. Adjournment:**

**Mr. Sangster moved to adjourn at approximately 6:20 p.m. Mr. Forte seconded the motion. The motion was carried by acclamation.**

**Respectfully submitted,**

**James C. Forte, Vice-Chairman**  
**Rhode Island Airport Corporation**

**ATTENDANCE SHEET**  
**RHODE ISLAND AIRPORT CORPORATION**  
**BOARD OF DIRECTORS MEETING**  
**JULY 19, 2006**

| <b>NAME</b> | <b>AFFILIATION</b> |
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| <b>Doug Dansereau</b> | <b>RIAC</b> |
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| <b>Brenda Pope</b> | <b>RIAC</b> |
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| <b>Ahmed Shihadeh</b> | <b>RIAC</b> |
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| <b>Steve Tibbetts</b> | <b>Landmark Aviation</b> |
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| <b>Meredith Holderbaum</b> | <b>House Fiscal Office</b> |
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| <b>Robert Goff</b> | <b>New England Parking</b> |
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| <b>John Tarantino</b> | <b>AP&amp;S</b> |
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**THE MINUTES OF THE EXECUTIVE SESSION OF THE RIAC BOARD  
OF DIRECTORS MEETING OF JULY 19, 2006 HAS BEEN SEALED IN  
ACCORDANCE WITH R.I.G.L. § 42-46-7 (c).**